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Expo West Conference- Meetings with Prospective Buyers (Deliverable 5)

**Madagascar Business and Market Expansion Project
March 2006**

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i. Executive Summary

The Four primary deliverables for this report are outlined below:

- Network with potential buyers/partners of Malagasy products at the Natural Products Expo West
- Introduce Malagasy exporters attending the Expo to potential buyers; arrange one-on-one meetings; provide targeted training as needed. (Exporters' participation at the exposition at their own personal expense).
- Carry out public relations campaign for companies interested in working with Malagasy producers.
- Web page development and product marketing.

The Natural Products Expo West show is the largest natural products show in the U.S. serving the emerging LOHAS (Lifestyles of Health and Sustainability) family of industries. The industries represented in this show include: natural and organic food, dietary supplements and functional foods, sports, diet and performance, nutrition, cosmetics and skin care, environmental, sustainable and fair trade, as well as craft industries. The show gathered more than 40,000 visitors and more than 3,000 exhibitors representing every aspect of retail and wholesale trade as well as manufacturing in the above mentioned industries.

As the Natural Products Expo brought together many of the industry leaders, it was an excellent opportunity to present Malagasy producers and capabilities as well as BAMEX to the industry. There were about 20 focused meetings pertaining to Madagascar led by this initiative. The details of the meetings are described later.

The original plan was to have Mr. Olivier Behra (of Label CBD, AromaForest and M.A.T.E.) as well as Roger Rakotomalala (of Lemur 2000, Inc. – a California company representing Phael Flor, a Malagasy Essential Oil and extracts manufacturer) attending the meetings and available for interviews and other PR activities. Unfortunately Mr. Behra was not able to make the trip to the U.S. as he had Visa difficulties and was detained in Paris. As a result, the meetings were focused on Mr. Rakotomalala with oral and paper (through brochures and some samples) presentations made on behalf of Label CBD, AromaForest, M.A.T.E. and Homeopharma.

The individual meeting notes will demonstrate the great success and interest generated by these meetings with the companies and organizations encountered. It is now the responsibility of Label CBD/Aroma Forest, Homeopharma, and Lemur/Phael Flor to follow up with the potential clients to develop business. Other Malagasy producers were also promoted, as managed by Anouchka, and follow up with these will also determine the success of developing business in the US.

It is the strong recommendation of this team that future marketing efforts include participation in trade shows as a visitor and possibly an exhibitor, and that Malagasy producers be encouraged to participate in these events as well. EthnoPharm is well

positioned in the natural products industries in the US to be able to give unique advantage and focused linkages to producers from Madagascar. As more producers become export-ready, it is our recommendation that BAMEX helps to sponsor their participation at tradeshow, as organized by EthnoPharm.

Section 1.0 – Meetings with Potential Buyers/Partners

1.0 Meetings with Potential Buyers/Partners

1.1 Tuesday- March 21, 2006

1.1.1 PharmaChem Laboratories- Billy McLellan

265 Harrison Avenue

Kearny, NJ 07032

Phone: 800-526-0609 or 201-246-1000

Fax: 201-246-8105

Pharmachem Laboratories, Inc., is a leading manufacturer and supplier of value-added nutritional ingredients and bulk raw materials. They offer an exclusive list of trademarks and catalogue of products, as well as custom-manufacturing, and research and development services. In recent years, Pharmachem has bought many high quality research and manufacturing facilities, and now has the largest extractor in North America.

I expect to be helping them to strategize and better understand how they may work with Madagascar. They are very interested in moving past a commodity supply relationship, perhaps taking on a role where they can be larger stakeholders in Malagasy products. One potential strategy may be for them to contract Jim Simon's lab to help them to develop proprietary products. They also have the largest extraction facility in North America, and many other fine research collaborators, so they may also devise a strategy to work with these. They are particularly interested in working with Label CBD, Aroma Forest, and perhaps collaborating with IMRA and other research institutions in Madagascar.

1.1.2 Tri-K Industries- Art Georgalas

NORTH AMERICA HEADQUARTERS

UNITED STATES/CANADA

TRI-K Industries, Inc.

151 Veterans Drive

Northvale, NJ 07647

Tel: (201) 750-1055

Fax: (201) 750-9785

For over 30 years, TRI-K Industries has been bringing innovative concepts and products to life for the cosmetics industry. They work closely with their customers to invent, formulate and test new cosmetic ingredients... and they keep their relationships strong with superior customer service and in-depth technical support from a full-function applications laboratory. Together with strategic partners and an in-house development team, they are continually upgrading and refining their product range to provide customers with a consistent competitive advantage.

Art Georgalas is in charge of product development and new products for Tri-K Industries. For some time now, Art has been in contact with EthnoPharm about potential products from Madagascar, and was hoping to meet with Olivier during our recent trip to New York. In Olivier's absence, I provided Art with information sheets on Olivier's products, and Jim Simon and I discussed with him opportunities for development of new and existing products from Madagascar.

He is particularly interested in the Paramed Silk product that we sent information sheets on, and would like to know more about the product, and get pricing and samples sent to him ASAP. He would also like to learn more about the Aloe product (in bulk form) that HomeoPharma produces, and would like them to send him information and pricing and samples as well. Requests were sent to Anouchka. He is also currently reviewing the information sheets that were prepared by Label CBD/Aroma Forest, and will be thinking about a strategy in developing products from Madagascar. He will also be visiting Jim Simon's laboratory in mid April to explore working with Rutgers to develop some of these products further.

1.2 Thursday- March 23, 2006

1.2.1 Herbalife- Ray Cooper, Ph.D.

Herbalife is one of the largest multi-level marketing companies in the U.S. with operations and sales worldwide. Herbalife is a leader in providing products and supporting programs for a variety of lifestyle issues including:

- weight loss
- nutrition
- personal care

Scientists, doctors and nutritionists have developed Herbalife's products with personal wellness goals in mind. Herbalife's Scientific Advisory Board, Medical Affairs Group and Medical Advisory Board are the guiding forces behind Herbalife's industry-leading success. This team of respected scientific experts directs the development of Herbalife products through research and product testing, so that Herbalife quality meets the highest standards set for the industry today.

I have met with Ray Cooper, and am still in discussion with him about potential products for development. One problem with Herbalife working with Madagascar is the small source of supply, as their products require large raw material amounts. Development of a proprietary angle to any product development initiative is also an important consideration.

1.2.2 Tom's of Maine- Chris Chappell

414 7th St.
Petaluma, CA
94952 USA

(707) 658-1502

fax (707) 988-7870

The concept of natural personal care—products made without artificial or animal ingredients or chemicals—is one whose time has come. Tom's of Maine has been at the forefront of this innovative idea since their founding in 1970, and thanks to this early leadership, today they are the number one Natural Care brand, with nearly 200 employees and 90 oral and body care products found at more than 40,000 retail outlets across the country and world.

At the heart of their story and the growth of Tom's of Maine is the fact that, now as then, the work begins with a set of beliefs and values. Those beliefs and values guide them every day in how they create products and build relationships—with their coworkers, retail customers, vendors, and consumers. Values, a relationship-building model, and safe, effective natural products: these are the keys to our success in growing a profitable company while behaving in a socially responsible and environmentally sensitive manner.

I have met with Chris, and am still in discussion with him about potential products for development. One problem with Tom's of Maine working with Madagascar is the small source of supply, as their products require large raw material amounts. He may be interested in Malagasy oils for the toothpastes or other products. Development of a proprietary angle to any product development initiative is also an important consideration.

1.3 Friday- March 24, 2006

1.3.1 Phenolics- Michael Tempesta

Michael is the principal of a company called Phenolics, LLC. Phenolics is an innovative nutraceuticals company focused on bringing polyphenol-based products (nutraceuticals and dietary supplements) to the market for various applications. He is searching for new high phenol or interesting phenolic extracts. He is especially interested in extracts (or looking at waste stream materials that can be extracted) that are recognized food products in the US, such as spices and tropical fruits. In regards to Madagascar, he is interested in exploring several things.

He is immediately interested in cinnamon bark, especially in the product of the cinnamon essential oil. He would like to look at the extracted bark material (Mark) to see if there is an interesting phenolic profile left. I have asked Olivier to look into this and also to get samples to him.

He is also interested in cloves and geranium for the same purposes. He is really interested to know more about the chemical profile of the ginger produced in Madagascar, and would like more information on this. I have asked Olivier to look into this and also forward any information that might pertain to this to Michael.

Phenolics LLC is currently manufacturing a high phenolic content extract for the US dietary supplement market, and they are involved with a number of marketers which include their 30% total phenols cinnamon in a variety of products. They are partnered with Indus in India for cinnamon (and other) ingredient manufacturing using raw materials from the region. They also have a facility in Illinois to process fruits and berries grown in North America, as well as a facility in Europe for items grown there as well. Initially, they would be very interested in the quality of Malagasy cinnamon left after the essential oils are removed, to determine if suitable for use in their manufacturing process. They also would need some idea of bulk pricing as well as what type of volumes they can expect to have access to.

1.3.2 Starbucks- Martin Almao

Starbucks says they always figured that putting people before products just made good common sense. So far, it's been working out for them. Their relationships with farmers yield high quality coffees. The connections they make in communities create a loyal following. And the support they provide their baristas pays off everyday. Read more about their human approach to business in the 2005 Corporate Social Responsibility Annual Report at www.starbucks.com.

It is not yet clear how Madagascar natural products can benefit from a relationship with Starbucks. I am in discussion with Martin, but expect this will not be answered for some time.

1.3.3 Greg Pennyroyal, Industry Consultant

Greg Pennyroyal is an independent consultant in the natural products industry with deep relationships. He is very interested in Madagascar and will be in discussion with me or other producers as potential interest clarifies. He has contacted Roger from Lemur, Inc. in the past to see how they can work together, but I think there is no common strategy found yet.

1.3.4 RFI- Jeff Wuagneux

RFI Ingredients

300 Corporate Drive, Suite 14

Blauvelt, NY 10913

Tel: 845-358-8600 Toll free: 800-962-7663

Fax: 845-358-9003

E-mail: rfi@rfiingredients.com

RFI Ingredients, based in Blauvelt, NY, is a manufacturer of innovative natural ingredients for the food, functional food and dietary supplement industries. The company, which was formed in 1989, specializes in the supply of quality ingredients (including certified-organic) and proprietary formulations, building on its global partnerships and in-house applications laboratory. Their core product lines include:

- OxyPhyte® natural antioxidants
- Fruit and vegetable powders, purees and concentrates
- Cereal grasses/greens
- Specialty Products: Chocamine™, Talin®, Hinotes®
- Natural colors
- Botanical and nutritional ingredients
- Custom formulations

Their extensive network of global partners enables them to offer multiple venues for natural products sourcing, allowing them to capitalize on worldwide seasons and economic fluctuations. With manufacturing operations in North America, South America and China, they can offer true global reach. In addition to their international raw materials sourcing platform, they also operate Atlantic Coast Functional Foods (ACFF), a separate company that concentrates on selling functional foods into the Asian market.

RFI was introduced to Lemur, Inc., at the Expo west show, and they are interested in looking into the potential of their vanilla powder. Although initially very interested in Label CBD, it is not clear if RFI can bring business to essential oils unless they are used for value added flavors or ingredients. Development of a proprietary angle to any product development initiative is also an important consideration as most companies are uninterested in making any development in product development or marketing if there is no proprietary or exclusive benefit to it.

1.3.5 Traditional Medicinals- Josef Brinkman, Kathy Gass, and Katie Huggins

Traditional Medicinals
4515 Ross Road
Sebastopol, CA 95472
1-800-543-4372

Traditional Medicinals says the secret lives of plants have captured their imagination and respect with their beauty, mystery and power to heal. For over thirty years, Traditional Medicinals has produced effective, healing brews (teas), blending their reverence of plants with the wisdom of the ancient arts of Traditional Herbal Medicine and the most modern scientific methods of quality control. Traditional Medicinals also says that as important as their work with medicinal plants is, they also practice a deep respect for the earth and for humanity, striving always to ensure that their intentions and actions mirror their passions and beliefs.

Traditional Medicinals is a high end medicinal and beverage tea company in the US. They are an established brand, and use only very high quality and organic ingredients. Traditional Medicinals is especially interested to learn more about the ginger from Madagascar, and to know more about the profile of the oils (is it of a hot pungent nature?). If it meets their interest, they would like to get samples and specification sheets, and possibly buy ginger from Madagascar. I have asked Olivier to respond to them about the quality of Malagasy ginger. Traditional Medicinals is also interested in looking at new medicinal teas (that have a long standing traditional medicine use), and therefore

they are potentially interested in learning more about and looking at Voafotsy, Ravintsara, and Katrafay. I have also asked Olivier to supply this information.

1.3.6 Trinity Ava Rizzi, an herbalist and educator with Traditional Medicinals, and Teacher at the California School for Herbal Studies

Trinity is also very interested in Roger's vanilla powder, and will follow up with him if Traditional Medicinals can have a use for this, plus she has enormous personal interest in Malagasy oils and may be a good liaison in the future for Madagascar.

1.3.7 Ineeka- Shashank Goel

Ineeka Inc.

Chicago, USA

ph: 312.733.TEAS

email: sg@ineeka.com or shashank@ineeka.com

www.ineeka.com

Josef Brinkman from Traditional Medicinals introduced us to Shashank Goel from Ineeka. Ineeka has been looking for a good source of organic vanilla bean pods for his tea product line. I have referred Roger to this contact, and expect him to be following up on this. I have also referred Ineeka to Anouchka, who is trying to connect him to the appropriate producers in Madagascar. Ineeka is also interested in organic spices of high quality, and I have introduced him to Aroma Forest for this.

1.3.8 Simplers Botanicals Co.- Oren Wool

PO Box 2534

Sebastopol, CA 95473

1-800-652-7646

Simplers Botanical Company supplies essential oils and aromatherapy products to many fine retailers in the United States. They are featured at Whole Foods, Earth Fare, New Leaf Market, Mississippi Market, Lassen's, Sherwyn's of Chicago and many other consumer-aware stores. Their online store gives access to over 100 therapeutic grade essential oils.

Simplers Botanical Company is an herbalist owned and operated company dedicated to providing pure certified organic essential oils and herbal extracts. Since their beginnings at the California School Of Herbal Studies in 1981, they have been a pioneer of herbal medicine in the marketplace and consider themselves the number one source of therapeutic quality organic essential oils for aromatherapy. They get their essential oils directly from distilleries worldwide to ensure that they are authentic, species specific, and ethically harvested. They provide an Aromatherapy Guide to educate the consumer on thousands of therapeutic uses for natural beauty and health of over 100 pure essential oils. They support organic farmers worldwide and are Certified Organic by CCOF. Simplers Botanical Company never tests on animals.

Oren Wool was (at the time of our meeting) the COO of Simplers Botanical Co. We are now in contact with the owner of the company (Jim Green) to further discussions. I met with Oren Friday afternoon, and he expressed immediate interest in working with Madagascar and looking at taking on essential oils from Madagascar. I have given Oren some promotional materials from Label CBD and Aroma Forest. I have introduced him to Olivier (by email) and Roger (in person), and it is now their responsibility to follow up with Simplers. I know Oren had called Roger wanting to order organic Callophyllum, and he was not able to supply, so I am hoping Olivier has picked up discussion with him and can supply him.

1.4 Saturday- March 25, 2006

1.4.1 Primal Essence/Exalted Extracts- Preman Brady

For centuries, cultures and cuisines around the world have embraced spices, not only for their exotic flavors and aromas but also for their medicinal value. Herbs, spices and other nutritional substances are the oldest form of medicine known to man. The use of botanicals, herbs & spices has increased dramatically in recent years, particularly in the category of manufactured foods and beverage products. This increase in consumer demand has also been the catalyst for the evolution of better processing technologies and new products. Primal Essence uses innovative extraction processes to capture the true essence of botanicals without the use of harsh solvents or chemicals. They have also developed their own proprietary emulsion technology for manufacturing clean, water-soluble extracts. They call this process Aqueous Molecular Partitioning. Their very pure, natural extracts are stable and low cost.

They capture the whole essence of herbs and spices, containing the true fresh flavors, with Supercritical Fluid Extraction (SFE), often referred to as CO2 extraction. This method of extraction does not involve the use of any harmful solvents (even alcohol). The result is a rich, clean and flavorful extract, which is then rendered water-soluble via their proprietary, chemical-free emulsion technology.

Primal Essence Plant/Tea Extracts are formulated with Certified Organic Ingredients. They capture the whole plant essence, which contains the true fresh flavors and natural phyto-nutrients. The yield is a pure, chemical-free product that is far superior to ground herbs and tea bags, yet is ready for instant use without heating or brewing.

Preman is the founder of Primal Essence and is very interested in Malagasy spices, essential oils and botanicals. Preman wanted to order Roger's Madagascar vanilla powder right away, and also wanted see samples or know availability of the following essential oils: organic sweet basil, organic sweet basil, organic clove bud, organic cinnamon, organic geranium, organic fresh ginger, organic ylang ylang, organic (or conventional) cardamom, allspice, turmeric (dried), and organic nutmeg, organic lemongrass oil, and ginger grass (longonza). He would also like a sample of the Saro essential oil and ravintsara. Roger indicated that he would fax a product list and specifications to Preman.

Primal Essence also has an immediate market for oils in the production of chai spices, as he supplies the largest chai companies in the US. I have asked Olivier to follow up with Preman and introduce himself, and also help him with some of the applications of the oils. Preman is especially interested in oils that can be used internally, either as foods, medicines, or flavors.

Homeopharma is also interested in supplying the US market of a special type of Aloe from Madagascar. Currently, Preman buys aloe, and he is interested to know more about the aloe species from Madagascar. Unfortunately, I didn't have any information for him or samples, but I have asked Jean-Claude to contact him and detail the applications and known constituents or properties of the Aloe from Madagascar. There may also be other products that Primal Essence can be interested in buying from Homeopharma, once the introduction is made.

1.4.2 Frontier Co-op/Aura Cacia- David Showalter

3021 78th St.

Norway, IA 52318

(319) 227-7996

fax (319) 227-7966

Frontier/AuraCacia is a large manufacturer and distributor of dietary supplements in the US market, including supplying bulk herbs to the natural food stores (20% of their business), a large organic spice line, a large essential oil line, all-natural foaming baths, massage creams, and creams and conditioners. They are very quickly expanding their product line and needs for good quality herbs and essential oils. Most important for Frontier in quality is consistency between batches.

Roger, from Lemur, Inc., was introduced to David from Frontier at the Expo Show. Frontier would like to receive a full product list and pricing, which Roger said he would send upon his return. Frontier also will be looking into the vanilla powder from Lemur for beverage formulation.

David is also interested in visiting Madagascar to meet with Malagasy producers and perhaps also give a workshop on what kind of qualifications they require when working with producers.

We also gave Frontier a product list from Label CBD and Aroma Forest, and wanted to remind David to also please send a copy (by email) of the Convert fair trade program standards they are developing to Olivier. I believe that Frontier and Label CBD will be a great fit to work together in this respect.

1.4.3 Threshold/Source Naturals/Planetary Formulas- Stephen Sturm

19 Janis Way

Scotts Valley, CA 95066

(831) 461-6343

fax (831) 438-2196

Stephen is the Senior Project Manager for Product Development of Threshold/Planetary Formulas/Source Naturals (www.thresholdenterprises.com; www.sourcenaturals.com), a large distributor and manufacturer of herbal and dietary supplement for the US market.

Jean-Claude is the founder of HomeoPharma, a manufacturer of herbal traditional medicine products from Madagascar (medicinal and beverage teas, essential oils, and balms).

Paulo and I will be talking further with Stephen about the possibility of Threshold distributing HomeoPharma products on the US market. In the meantime, perhaps HomeoPharma can send a complete set of samples and pricing to Threshold? One hurdle that would greatly facilitate the potential of Threshold to bring HomeoPharma products to market is for them to update their labels for the US market--is this possible or in the works? I have sent an email asking this and have not heard a response yet.

1.4.4 Optimal Nutrients- Tim Lally

1163 Chess Drive, Suite F

Foster City, CA 94404

Phone: 800-966-8874

Fax: 650-349-1686

Tim Lally is the President of Optimal Nutrients, a manufacturer of herbal and dietary supplement products for the US market. Jean-Claude is the founder of HomeoPharma, a manufacturer of herbal traditional medicine products (medicinal and beverage teas, essential oils, and balms). Tim Lally is interested in further examining HomeoPharma products to potentially become an exclusive distributor or private label of HomeoPharma. I will be meeting and talking with Tim about the potential of this, and in the meantime, I have introduced the two of them by email and shown Tim some of the products when we were at the show.

I will meet with Tim and talk with him about the next steps in determining if this is a possible fit for Optimal Nutrients. In the meantime, I requested HomeoPharma to send a complete set of samples and pricing to Optimal Nutrients. One hurdle that would greatly facilitate the potential of Optimal to bring HomeoPharma products to market is for them to update their labels for the US market—I have sent an email asking if this is possible for HomeoPharma.

1.4.5 Lotus Foods- Caryl Levine

Lotus Foods, Inc.

921 Richmond Street

El Cerrito, CA 94530

Phone: 510-525-3137

Fax: 510-525-4226

Staff of life for over half the world, rice is finally awakening the American palate. For years, most of the rice bought in the supermarket in the US was mundane, seeded from

planes, bathed in pesticides, mechanically harvested, milled to a perfect uniformity of size and shape, colorless, odorless, and flavorless. Today, a wider variety of specialty grains are now mass marketed and readily available. Lotus Foods offers some of the world's most ancient, heirloom and exotic rice varieties that are still being grown around the world on small family farms in limited quantities.

Founded in 1995 by Ken Lee and Caryl Levine, Lotus Foods is committed to the discovery and introduction of rare ancient and new grains that are almost impossible to duplicate in any other part of the world. They ferret out unusual rice varieties from remote corners of the world to bring the most exotic tastes of far away places. From region to region the unique soil, water, and growing conditions combine to produce rice varieties that are flavorful, colorful and aromatic. These world rice's are prized and cellared like fine wine.

The secret of rice, the core of its mystery, is that it can take a hundred different forms and cuisines. Outstanding chefs have moved rice to the center of the plate. The retail stores where food experts — foodies seeking the newest trend shop — are flooding the field with rice sales. The American public is hungry for nutritious, healthful grains. As more westerners are exploring rice varieties beyond the basic white, Lotus Foods believes that rice is truly coming of age and is set to become the next pasta.

The owner of Lotus foods met EthnoPharm briefly at the Anaheim show. We were really impressed at the beautiful presentation of their rice products at Lotus Foods, and product diversity from around the world. They had mentioned that they already had some contact with a program in Madagascar working with red rice, and I told them a little bit about BAMEX. They mentioned that they were specifically interested in red and pink rice from Madagascar, and I told them a little about a co-operative of growers, called Koloharena, that has renounced slash-and-burn agriculture to bring products to the US market. They are producing red and pink rice currently for the "Slow Food" movement in Europe. I have asked Anouchka to contact Koloharena, and facilitate contact, pricing and samples with Lotus Foods (www.worldofrice.com; www.lotusfoods.com).

1.4.6 OilMD – James Geiger

2487 South Gilbert Rd.
Suite 106 PMB 428
Gilbert, Arizona 85296
(480) 821-2839
fax (480) 821-2839

The oilMD offers aromatherapy essential oil products to promote wellness through nature. The oilMD offers a unique product line promoting the safe use and quality of essential oils to complement personal health care. They place special emphasis on women's health aromatherapy. There are scientific abstracts referenced with each product for education. The oilMD product line is manufactured using the finest therapeutic grade essential oils that are derived from naturally grown plants, herbs and spices. The oilMD products are produced in a Good Manufacturing Practices compliant facility.

James Geiger was introduced to Roger Rakotomalala and given the brochures and information of Label CBD, Aroma Forest and M.A.T.E. Dr. Geiger is very interested in the potential applications of Malagasy essential oils, and is currently researching this more. He will be in touch once he has a chance to further study the information sheets and think on formulation ideas.

1.5 Sunday- March 26, 2006

1.5.1 Essential Living Foods - Christopher Daugherty

12304 Santa Monica Blvd, # 218

Los Angeles, CA 90025

Phone: 310-571-3272

Fax: 310-571-3274

Essential Living Foods (ELF) is a CERTIFIED ORGANIC Conservation Driven Importer and Distributor focused on making available internationally the highest quality, ecologically sound organic commodities from around the globe. They claim to have unique and characteristic methods for dehydration, packaging, processing and producing under ideal conditions to assure enzymatically-stable and nutrient-rich products of a sound phytochemical nature. They want their growers to continue to use their traditional ways to bring these organic commodities of a paramount quality to consumers worldwide.

ELF claims to make family-like relationships that are unique partnerships with indigenous cultures that directly effect the development of sustainable forest products and generate fresh revenue streams for the continued preservation of the rainforest and deep traditions therein. They claim to share the vision of preserving the ancestral wisdom of indigenous peoples worldwide, carefully unfolding the secrets of the unique natural resources of exotic places including Caribbean wonderlands and the Amazon basin and surrounding loci. They are assisting indigenous peoples in developing their products by implementing cutting-edge technology under stringent quality control standards while adhering to USDA guidelines. Together they are creating premium commodities for this rapidly growing marketplace and adding substance to a shared vision of sustained global developments.

ELF has impacted social and economic progress in growing communities and processing regions worldwide and through exporting, capital improvement plans and profit sharing programs ELF continues to effect positive progressive social and economic evolution. ELF promotes trade parity for premium and value added products from all corners of the globe creating balance and stability to involved parties as the flow of capital resources is encouraged.

Christopher is the President and CEO of Essential Living Foods. I had a meeting with Christopher in Anaheim, and he is very interested to know more and perhaps be in touch

with producers of red and pink rice from Madagascar. He is also interested in any specialty fruits and foods, such as lychee (but not spices). He may also be interested in virgin coconut oil, nuts, vanilla, peppers, and dried fruits. I asked Anouchka to get him in contact with Koloharena (the farmer co-op that is renouncing slash-n-burn for more sustainable production) or any other groups that she thought were a good fit for him. I was hoping that he would be interested in spices from Madagascar, and he seems to not be.

We also introduced them to Roger, as we believe Christopher may be interested in vanilla.

1.5.2 World Wide Organics- Paul Mosbrucker (and Jurgen Serr from Herb-Service)

World Wide Organics is a distributor of nutraceutical and herbal ingredients. We have introduced them to both Roger and Label CBD. Paul was interested in vanilla and vanilla extracts, and will be talking with us further about his interest.

1.5.3 EO- Susan Griffin Black

EO is a company that bases its product formulations on essential oils. It is a full line of body care products that are well distributed in the US. EO claims their philosophy is to:

- Build a profitable and sustainable business within our community.
- Make essential oils and pure plant products accessible for everyday use.
- Provide clear information about our products for customers to make informed choices.
- Create a workplace that supports right livelihood.

I have sent an introduction email to Olivier and Susan Griffin Black (who is co- CEO) to see if there may be a potential linkage.

1.5.4 Pangea Organics- Joshua Onysko

Pangea Organics is a line of high quality and very natural body care products that feature spices and essential oils from around the world. I have sent an introduction email to Olivier and Joshua (who is the Founder and CEO) to see if there may be a potential linkage.

Section 2.0—PR Campaign

2.1 PR Strategy Update and Focus for Expo West

The PR component to our program is vital to the development of business relationships or our suppliers. In terms of getting the word out to our target markets - PR is much more effective than advertising. Consider which holds more weight - an advertisement about a product or a positive article about the new product? It's easy to toot our own horn, but more difficult to create third party objective endorsement. Our objective is to get that third party endorsement by establishing and promoting a favorable relationship with the targeted media market.

For example, Roger Rakotomalala, one of our Malagasy suppliers, who is a businessman in San Francisco appeared on CNN Headline News Local Edition to talk about Madagascar and promoted Malagasy essential oils and spices. This has helped lay the groundwork to educate the public through the media. We are working on securing another segment of this high profile show to have Roger Rakotomalala from Lemur Inc. talk about vanilla and Madagascar.

The activities employed to establish and promote these favorable relationships include identifying and targeting key editors in the media so that we are strategically positioned for positive coverage.

Our research identified more than one hundred editors who we are networking with on an on-going basis to inform them about Madagascar as an important emerging market in the US. We have also created a newsworthy storyline and have identified several suppliers to create media interest and to personify the story of Madagascar.

Due to these efforts, many in the media have expressed enthusiasm and interest and will make themselves available for individual stories from our suppliers and the connections they are making in the US. We are adding value to the new relationships that are being created by offering to do some media announcements for the new business liaisons.

2.2 Malagasy-targeted Articles Written

Several industry and consumer-related articles were written and placed in magazines that focused, or at least mentioned Madagascar non-traditional natural products.

- **Madagascar: Opportunity and Sustainability**

From the Corners of the World Column, March 2006

By Paulo Altaffer and Grant Washington-Smith

An introduction to Madagascar as a country of great diversity and cleanliness from pesticides and other pollutants was given in this article. A number of interesting products were also highlighted, and some information given on the traditional medicine from the country and the need to find companies to partner with Malagasy producers in order to create sustainable and equitable relationships.

- **Madagascar Massage**

Traditional Healing Techniques from the African nation promise HIV Wellness

by Kerry Hughes, MSc

<http://www.aumag.org/lifeguide/WWFebruary06.html>

This article represents an interview with Jean-Claude from Homeopharma, and details the use of massage and aromatherapy in Malagasy Traditional medicine, and how it can help people living with HIV/AIDS. There is information given on essential oils from Madagascar, as well as a mention of the Ecolodge being built by Homeopharma.

- **Good Scents**

Aromatherapy Gains Ground in HIV/AIDS Wellness

by Kerry Hughes, MSc

<http://www.aumag.org/lifeguide/WWJanuary06.html>

This article is an introduction to the world of aromatherapy and how essential oils may help in HIV/AIDS. There is mention of research on one Malagasy oil, Callophyllum and the promising research that has been conducted in AIDS therapy.

- **Au Natural, Naturally! (in press)**

Prepared Foods

By Kerry Hughes, MSc

This article was written for the largest food industry magazine, especially targeted towards product developers and marketers of foods. The article talks about the state of organics on the market, and how the new fast growing segment in the sustainability market is in fair trade. Label CBD and Aroma Forest are given as examples of companies that have a sustainability component, in this case, through their association with Man and the Environment.

2.3 Media Hits at Expo West

Interest expressed by Whole Foods Magazine, Remedies Magazine and Energy Magazine. Follow-up continues. In addition, our news release that was put out at the end

of August continues to be circulated on the Internet – see example:
<http://news.mongabay.com/2005/0823-wildmadagascar.html>

2.4 Television: CNN Headline News – Local Edition

Roger from Lemur was featured last year on CNN Local Edition, and he talked about Madagascar and its essential oils.

2.4.1 Other Possibilities

We are also excited about another possible opportunity to promote Madagascar on an upcoming Health and Wellness national cable network that is currently being developed in the US and launched in November. We are in contact with them to interview Kerry Hughes who would discuss the scope of the BAMEX program and the emerging Malagasy markets. The producers are in the process of considering this opportunity and we are excited about this possibility.

Health Journalist and media personality, Meg Jordan has a television series in development called The Global Medicine Hunter. She has expressed interest in doing a segment on the health properties of cinnamon and the Madagascar connection. The series was originally going to run on PBS – however it is presently looking for a new home on Discovery or the new Health and Wellness Channel.

2.5 Expo West Media Strategy

One of the most important aspects of public relations is to take important information and turn it into news that the media is going to be interested in. For Expo West, we developed a media advisory that invited the media to meet and greet the suppliers who would be in attendance.

This advisory was delivered to every media person on the registered list. After distribution, we followed up with personal phone calls to each editor. The editor from Remedies Magazine, Energy Magazine and Vitamin Retailer Magazine expressed interest. In addition, we had a meeting with one of the editors from Whole Foods Magazine (including Roger from Lemur, Inc.) who requested that we keep in touch with them when we have emerging news. We are continuing our conversations with these editors and expect positive results.

In addition to the media advisory that was put out, we developed an extensive news release that gave an overview of the BAMEX program and highlighted a businessman in Madagascar (Olivier) and a Malagasy operating his essential oil business in San Francisco, California (Roger from Lemur). We did encounter one challenge during our media outreach efforts for the show. Due to the fact that the most publicized supplier (Olivier) cancelled his trip at the last minute, we had some editors cancel the meet and greet invitation, but nonetheless, the contacts were made and we will vigorously pursue them on behalf of the many business relationships that have been created.

2.5 Future Trade Show PR

Our Public Relations efforts are on going and we strongly believe that we are making inroads with the media for this project and expect this to develop into some good media coverage.

It is suggested that we identify other tradeshow to continue our momentum. In anticipation of further tradeshow deliverables, the following strategy has been developed to insure success with the media.

- Identify main client groups and audiences and determine the best way to communicate publicity information to them.
- Write interesting and effective press releases
- Place Madagascar-oriented Magazine articles
- Develop and maintain the project's image and identity
- Identify media and promote project at Expo West
- Establish and maintain effective working relationships with media
- Respond to requests for information from the media or designate a spokesperson or information source.

Section 3.0—Website Development & Product Marketing

3.1 Website Design and Implementation

The Website dedicated to Madagascar was completed in June, 2005 to coincide with early Deliverables and PR efforts, and then updated a few times since then to accommodate changes in producers and products. This effort was completed well in advance of its Deliverable schedule to aid in initial marketing efforts and to make available a source of information to interested parties. The Website has 3 domain names registered (www.madagascarnatural.com, www.madagascarnatural.net, and www.madagascarnatural.org) and all three names currently point to the same website. A budget for maintenance of the site and continuation of domain name registrations should be established and considered for future funding by BAMEX. The site is available for administration by Chemonics or BAMEX should either party be interested in it.

3.2 Use and Success of Website

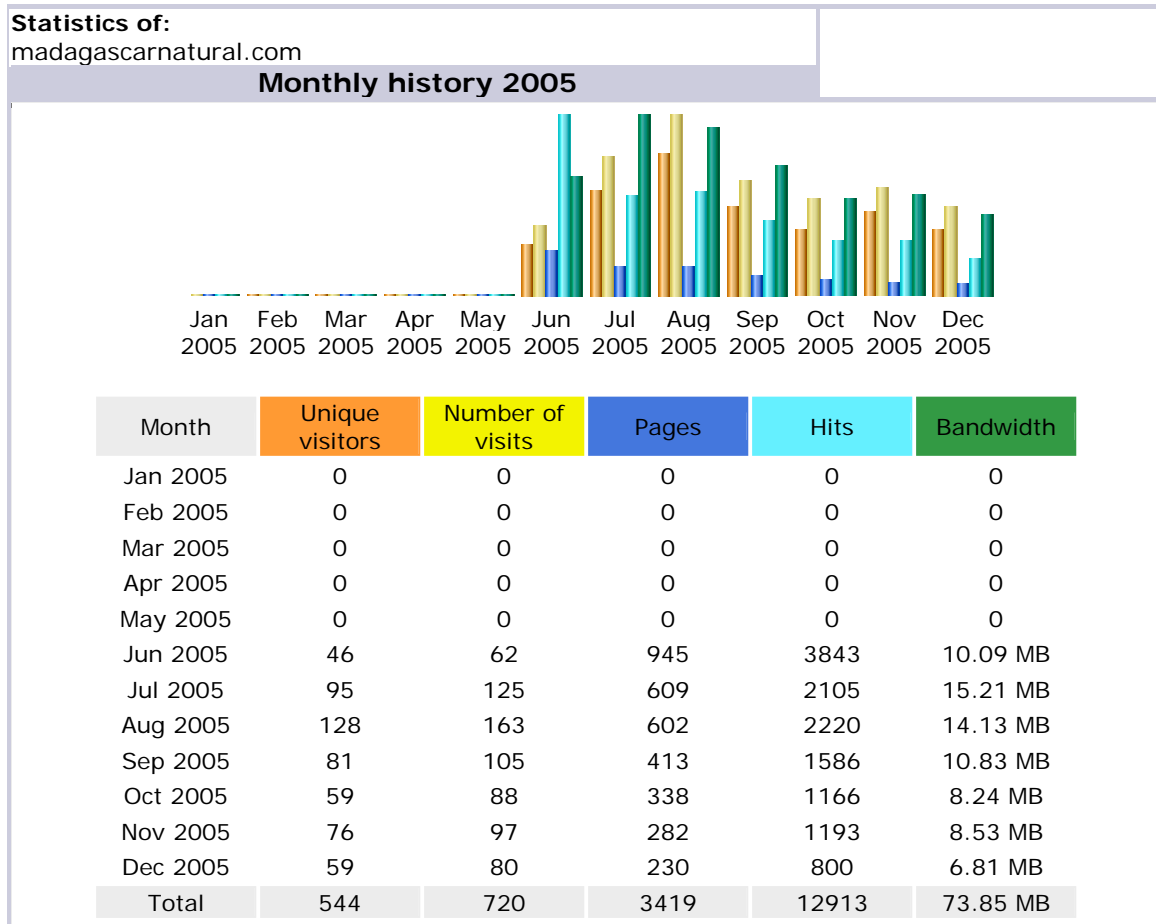
Current marketing efforts for Malagasy products and PR include suggesting to prospective clients and partners that they visit the website and to contact the producers listed. All PR initiatives also mention the website and provide links to the site as well. As few Malagasy producers have the resources to produce either their own website or even promotional brochures or flyers, the website was created for this purpose, as well as to act as a good overview and virtual meeting place of the BAMEX natural products project. As detailed by **Appendix A**, the website has generated a good number of hits and interest throughout the months.

3.3 Future of the www.madagascarnatural.com Website

We are in the process of investigating how to get more content of the Malagasy products themselves onto the site. Georges Halpern, M.D., Ph.D., has given us permission to reproduce some of the sections of his book on Malagasy healing essential oils onto the site. However, this will still be time consuming, as electronic files of the book do not exist. We are also investigating getting the product information sheets from Label CBD onto the site, if we can a) get permission from Olivier, and b) fit all that extra content on the bandwidth of our site.

We are also concerned what will be the fate of the website after the EthnoPharm contract with BAMEX expires. We would hopefully like to extend the contract to include sponsorship by BAMEX of attendance of a few trade shows yearly, and also a fee for maintaining the website. The other option is that BAMEX and Chemonics or some other Malagasy trade group take over the site in the future.

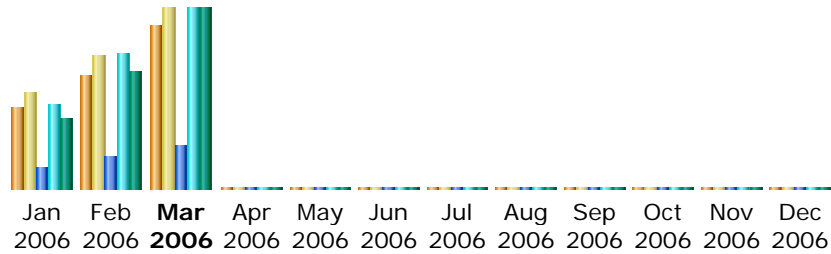
Appendix A- Website Report/Monthly History



Statistics of:

madagascarnatural.com

Monthly history 2006



Month	Unique visitors	Number of visits	Pages	Hits	Bandwidth
Jan 2006	77	90	278	1133	8.20 MB
Feb 2006	107	125	427	1848	13.83 MB
Mar 2006	153	170	587	2472	21.13 MB
Apr 2006	0	0	0	0	0
May 2006	0	0	0	0	0
Jun 2006	0	0	0	0	0
Jul 2006	0	0	0	0	0
Aug 2006	0	0	0	0	0
Sep 2006	0	0	0	0	0
Oct 2006	0	0	0	0	0
Nov 2006	0	0	0	0	0
Dec 2006	0	0	0	0	0
Total	337	385	1292	5453	43.17 MB

The two figures above show the activity of the website from June 2005 through March 2006 (report date March 30, 2006).